

STATEMENT OF PURPOSE

RS29264 / H0522

By adding physical gold and silver to 67-1210, Idaho Code, the State Treasurer is permitted to hold some portion of state funds in physical gold and silver to help secure state assets against the risks of inflation and financial turmoil and/or to achieve capital gains as measured in Federal Reserve Notes. The new authority is confined to holding gold and silver directly and in a manner that does not assume the counterparty risks involved with other current state holdings, such as corporate bonds, treasury bills, and other debt instruments. This measure does not empower the State Treasurer to invest in paper instruments, futures contracts, or other gold and silver derivatives. The authority is confined to physical gold and silver, directly owned by the state and stored in a secure depository.

FISCAL NOTE

This will have no direct impact on the general fund as it grants a permission for the Treasurer to invest state idle moneys in precious metals. There may be some increase to the general fund as investments may lead to larger returns and serve as a stronger hedge against inflation. There will be no fiscal impact on local entities, because this is strictly a state treasurer permission.

Contact:

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).